

30 April 2020

UNITED ARAB EMIRATES

UAE (on-shore)

Positive List

On 17 March 2020, the Cabinet formally adopted the Executive Resolution No. 16 of 2020 implementing the so-called “Positive List” of sectors in which foreign investors may **own 100%** of a corporate entity on-shore (outside of the Free Zones) in the UAE (the **Resolution**). However, it is to be noted that commercial sectors that were expressly excluded in Law No. 2 of 2015 concerning the Organisation of Commercial Companies i.e. the CCL remain excluded from the implementation of the Resolution (namely banking and insurance).

The Resolution also sets out certain rules for investors wishing to conduct their business in the UAE, such as a minimum share capital for each sector starting from AED 2-3 million (approx. Euro 500,000) and the number of Emirati required to be employed. The corporate entity must also either take the form of a Limited Liability Company or a Private Joint Stock Company.

*The List was published in the Official Gazette on 31 March 2020 and therefore, **is now in force.***

Some of the sectors included in the Positive List are:

- Manufacturing
- Agriculture
- Auditing
- Engineering
- Retail & Advertisement
- Holding Company (for purposes of holding Intellectual Property)
- Hospitality and Food Delivery
- Science and Technology (IT)
- Construction
- Transportation
- Information & Communications
- Healthcare
- Education
- Art & Entertainment

The **Negative List** (where 100% foreign ownership is **Not** permitted) includes, *inter alia*:

- Banking
- Insurance
- Commercial Agencies (registered with the Commercial Agency Committee)

Please refer to our previous GCC e-alert for further details or contact us.

DIFC

[New DIFC Innovation Licence](#)

The Dubai International Financial Centre (**DIFC**) has launched a new Innovation Licence with a fast and simple registration system and reduced operating costs.

This scheme includes a subsidised commercial licence registration cost of USD 1,500 per annum, the access to co-working space for a cost of USD500 for a flexi-desk, the possibility of up to four work visas for the first flexi-desk (and subsidised visas at a 50% reduction for innovation firms).

GCC Covid-19 Initiatives

New initiatives are being introduced by Governments throughout the countries of the Gulf Cooperation Council (**GCC**) regularly as a consequences of Covid-19 both on-shore (mainland) and in the various Free Zones.

Do get in touch if you would like further details or have specific queries.

KINGDOM OF SAUDI ARABIA

[New Instant Entrepreneur Work Visas Programme](#)

Saudi Arabia recently announced that it will grant "instant" work visas to entrepreneurs setting up businesses in the Kingdom as part of the Government's efforts to boost non-oil private sector growth and create jobs for Saudi Nationals.

The new program will be processed electronically based on specific criteria according to the Ministry of Human Resources and Social Development.

The initiative "will have an important role in supporting male and female entrepreneurs, incentivising and accelerating business growth, which will open investment opportunities that will contribute to creating sustainable jobs for Saudi men and women", declared Ahmed Al-Rajhi, Minister of Human Resources and Social Development.

The instant visas will be granted to businesses established in the past six months and according to the type of commercial activity.

Under the initiative, start-ups will be given a one-year grace period to implement the Saudisation programme, known as *Nitaqat*, in order to facilitate their operations.

This document is delivered for informative purposes only.

It does not constitute a reference for agreements and/or commitments of any nature.

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